

IN THE MATTER OF:	*	BEFORE
AMERICAN DEBT	*	THE MARYLAND COMMISSIONER
MANAGEMENT SERVICES, INC.	*	OF FINANCIAL REGULATION
Respondent	*	Case No.: DFR EU 2007-120

* * * * *

FINAL ORDER TO CEASE AND DESIST

WHEREAS, on September 7, 2007, the Maryland Commissioner of Financial Regulation (the "Commissioner") through Joseph E. Rooney, Deputy Commissioner, issued the attached Summary Order to Cease and Desist (the "Summary Order") to American Debt Management Services, Inc. ("Respondent"); and

WHEREAS, the Commissioner issued the Summary Order because (as set forth more fully therein) the Commissioner determined that immediate action against Respondent was in the public's interest because Respondent had engaged, and continued to engage, in acts or practices constituting a violation of a law, regulation, rule or order over which the Commissioner has jurisdiction, more particularly that Respondent violated the Maryland Debt Management Services Act (Md. Code Ann., Fin. Inst. ("FI") § 12-901 *et seq.*) by failing to: (i) provide written notification to the Commissioner of its change of location as required by FI § 12-915(a); (ii) return the original DMSA license with Respondent's former address to the Commissioner (pursuant to FI § 12-911(a)(2) a DMSA license must include the address at which the business of the licensee is to be conducted); (iii) submit to the Commissioner an amended surety bond with Respondent's

new address in compliance with FI § 12-914; and (iv) submit to the Commissioner an Annual Report in compliance with FI § 12-921(a); and

WHEREAS, the Summary Order was served on Respondent via Certified U.S. Mail (Certified Card signed on 9/13/07) and via First Class U.S. Mail; and

WHEREAS, Respondent failed to request a hearing on the Summary Order within fifteen (15) days of Respondent's receipt thereof and has not filed a request for a hearing as of the date of this Final Order to Cease and Desist (this "Final Order"); and

WHEREAS, the Commissioner finds that by failing to request a hearing on the Summary Order the Respondent has waived its right to a hearing on this matter.

NOW, THEREFORE, pursuant to § 2-115(b), it is, by the Maryland Commissioner of Financial Regulation, hereby:

ORDERED that Respondent shall, and is hereby commanded, to, immediately **CEASE AND DESIST** from acting as a debt management company and engaging in the debt management business in Maryland pursuant to FI § 12-901, *et seq.*; and it is further

ORDERED, that license (registration number 14-31) belonging to American Debt Management Services, Inc. is hereby **REVOKED** and Respondent shall immediately deliver to the Commissioner said license; and it is further

ORDERED that, Respondent shall immediately submit to the Commissioner a list of all Maryland consumers currently being serviced in debt management plans by Respondent. The list shall include the Maryland consumer's name, full address, telephone number, the commencement date of the debt management plan, and the proposed completion date of the plan; and it is further

ORDERED that, all of the Maryland consumers currently in debt management plans with the Respondent, shall be transferred to a Maryland licensed debt management company with approval of the Commissioner; and it is further

ORDERED that, the procedure and time frame for transferring the Maryland consumers will be set forth as follows: (a) within ten (10) days of receipt of this Final Order the name and contact information of the Maryland licensed debt management company where the Respondent's consumers will be transferred must be provided to the Commissioner; (b) within fifteen (15) days of receipt of this Final Order an outline explaining the process and time frame of the transfer will be provided to the Commissioner; (c) within ten (10) days of receipt of this Final Order a draft letter from the Respondent to the Maryland consumers will be provided to the Commissioner; and (d) within ten (10) days of receipt of this Final Order a draft letter from the "NEW" company to the Maryland consumers will be provided to the Commissioner. All of the above requested items must be approved by the Commissioner prior to implementation of the transfer. And it is further

ORDERED, that due to: (i) the seriousness of the Respondent's violations; (ii) the lack of good faith of Respondent, (iii) the history and ongoing nature of Respondent's violations; and (iv) the deleterious effect of the violations on the public and the debt management industry, Respondent shall pay to the Commissioner a total civil money penalty in the amount of FOUR THOUSAND DOLLARS (\$4,000.00), (representing a civil money penalty of ONE THOUSAND DOLLARS (\$1,000.00) for each of the four (4) violations cited herein). Payment of this civil money penalty is due immediately by

cashier's or certified check made payable to the order of the "Maryland Commissioner of Financial Regulation."

**MARYLAND COMMISSIONER
OF FINANCIAL REGULATION**

By: _____

Joseph E. Rooney
Joseph E. Rooney
Deputy Commissioner

Date: _____

11-1-07